

Procedures for Annual Adjustments Fayette County

Residential

- Step 1: The land values were established by vacant land sales in the neighborhood. If no vacant land sales could be found then consideration was given to allocation of land values. The Land Order is being updated as part of the 1/4 parcels being completed each year. This was updated for Orange, Posey, Jackson, Columbia and Jennings townships this year. Due to the limited amount of sales, the vacant residential land was grouped county wide (L1). We are aware that the PRD is high. This is due to 4 of the seven sales being lots that sold for less than \$5,000 while the remaining sales were much higher. No two of these sales were in the same neighborhood, therefore further trending of these sales is not possible.
- Step 2: After the land values were established, those values were added to the current improvement values updated by the 2018 location multiplier, cost tables and depreciation tables and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. If there were no sales in the neighborhood, then consideration was given to like neighborhoods. Fayette County with the exception of Connersville is primarily a agricultural county. Many of the townships share the same school district, homesite rates and neighborhoods. Due to the number of sales and the similarity of neighborhoods in these townships, all of the townships with the exception of Connersville and Harrison were grouped together in the sales ratio study (R1).
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Commercial / Industrial

- Step 1: The land values were established by vacant land sales – and where there were no vacant land sales abstraction or allocation methods were employed. There were no additional trending factors applied to the land. We had no vacant commercial land sales in 2016 - 2017. In looking back at 2014 sales there were only two, therefore not enough to change trending factors.
- Step 2: After the land values were established, those values were added to the improvement values updated by the 2018 DLGF Location Multiplier, cost tables and updated depreciation tables and compared to the improved sale prices. A separate trending factor was then applied to the improvements of the property to raise or lower the values to an acceptable median level. Due to the limited amount of sales, the commercial and industrial properties were grouped together for the entire county. (C1)
- Step 3: The newly established trending factors were applied to all properties within that neighborhood and a sales ratio study and abstract were ran to verify the changes.

Due to the number of sales, we opened the window of sales to include 01/01/2016 through 12/31/2017 for Residential properties and 01/01/2015 - 12/31/2016 for Commercial and Industrial properties. Using the paired sales analysis – we found

the sales needed adjusted by 0% annual. This time adjustment was computed to the sales price in the "Formatted" tab.